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Civil Service Subplots

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The Reagan administration will take a second swipe at civil service paychecks this year if Congress rejects the proposal to trim federal salaries 5 percent in 1985.

If that pay cut proposal flops on Capitol Hill—a good bet—the administration has another plan up its sleeve. It will ask employees to kick in an additional 2 percent of salaries starting next year to help finance their retirement system.

Most federal and postal workers contribute 7 percent of their salary to the retirement fund. Both the Carter and Reagan administrations have contended that the amount doesn't cover costs of the program, estimated at 28 percent of payroll. The Reagan White House originally planned to request that retirement contributions be raised to 9 percent; the idea was dropped when officials decided it would be too much to ask for a 5 percent cut in salaries and another 2 percent cut in pay via increased retirement contributions.

Now, however, administration officials and federal union leaders expect that the higher retirement contribution plan, which would have to be approved by Congress, will be put back on the bargaining table if Congress turns down the pay cut.

Although no hearings have been held and no votes taken, opposition to the federal pay cut seems to be growing on Capitol Hill. Reagan administration officials who had counted on support from the Republican-controlled Senate were jolted when Sens. William Roth (R-Del.) and Ted Stevens (R-Alaska) came out strongly

against the proposed pay cut. Both are heavyweights in civil service matters. Roth chairs the Governmental Affairs Committee, and Stevens heads the Senate subcommittee that would consider the pay cuts.

Postal unions—which in the past won many of the major pay raises and the improvements in

fringe benefits enjoyed by federal workers—are expected to jump into the pay and pension fight. Patrick J. Nilan, legislative director of the American Postal Workers Union, said the 2 percent retirement contribution increase would almost wipe out the 2.7 percent pay raise postal workers recently received.

The postal unions—better organized and financed than their civil service counterparts—for years served as the shock troops in Congress. Their clout with Democratic and Republican administrations made pay raises possible and helped bring improved retirement benefits.

Since the U.S. Postal Service became a semi-independent corporation (with unions bargaining directly with management over pay and such), the white-collar and blue-collar unions have been left to fight many battles alone. But retirement—for both white-collar and postal federal employees—still is controlled by Congress, which is one reason the postal unions are eager to jump into the fight against the president's budget.

Membership in the nonpostal unions has dropped in recent years. Although the Reagan administration has been blamed for most of the unions' problems, the decline started long before the administration had its major confrontation with the air traffic controllers union, whose striking members were fired.

The white-collar unions have been unable to attract young workers into the fold. Many people thought "Reaganization" of government would be a recruiting bonanza for unions, but it hasn't been so.

Postal union members—with more job interests in common—have voted more money (higher dues) for organizing and legislative action. But the white-collar unions have had a hard time keeping operations going.

The upcoming pay and pension battle could revive the alliance between postal and federal unions if the unions can convince nonmembers that they hold the life preservers.